

110TH CONGRESS
1ST SESSION

H. R. 4299

To extend the Terrorism Insurance Program of the Department of the Treasury, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 6, 2007

Mr. FRANK of Massachusetts introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To extend the Terrorism Insurance Program of the Department of the Treasury, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Terrorism Risk Insurance Program Reauthorization Act
6 of 2007”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definition of act of terrorism.
- Sec. 3. Reauthorization of the program.
- Sec. 4. Annual liability cap.
- Sec. 5. Enhanced reports to Congress.

Sec. 6. Coverage of group life insurance.
 Sec. 7. Large event reset.
 Sec. 8. Availability of life insurance without regard to lawful foreign travel.
 Sec. 9. Program trigger.
 Sec. 10. Applicability.

1 SEC. 2. DEFINITION OF ACT OF TERRORISM.

2 Section 102(1)(A)(iv) of the Terrorism Risk Insur-
 3 ance Act of 2002 (15 U.S.C. 6701 note) is amended by
 4 striking “acting on behalf of any foreign person or foreign
 5 interest”.

6 SEC. 3. REAUTHORIZATION OF THE PROGRAM.

7 (a) TERMINATION DATE.—Section 108(a) of the Ter-
 8 rorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note)
 9 is amended by striking “2007” and inserting “2014”.

10 (b) ADDITIONAL PROGRAM YEARS.—Section 102(11)
 11 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C.
 12 6701 note) is amended by adding at the end the following:

13 “(G) ADDITIONAL PROGRAM YEARS.—Ex-
 14 cept when used as provided in subparagraphs
 15 (B) through (F), the term ‘Program Year’
 16 means, as the context requires, any of Program
 17 Year 1, Program Year 2, Program Year 3, Pro-
 18 gram Year 4, Program Year 5, or any of cal-
 19 endar years 2008 through 2014.”.

20 (c) CONFORMING AMENDMENTS.—The Terrorism
 21 Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is
 22 amended—

23 (1) in section 102(7)(F)—

1 (A) by inserting “and each Program Year
2 thereafter” before “, the value”; and

3 (B) by striking “preceding Program Year
4 5” and inserting “preceding that Program
5 Year”;

6 (2) in section 103(e)(1)(A), by inserting “and
7 each Program Year thereafter” after “Year 5”;

8 (3) in section 103(e)(1)(B)(ii), by inserting be-
9 fore the period at the end “and any Program Year
10 thereafter”;

11 (4) in section 103(e)(2)(A), by striking “of Pro-
12 gram Years 2 through 5” and inserting “Program
13 Year thereafter”;

14 (5) in section 103(e)(3), by striking “of Pro-
15 gram Years 2 through 5,” and inserting “other Pro-
16 gram Year”; and

17 (6) in section 103(e)(6)(E), by inserting “and
18 any Program Year thereafter” after “Year 5”.

19 **SEC. 4. ANNUAL LIABILITY CAP.**

20 (a) IN GENERAL.—Section 103(e)(2) of the Ter-
21 rorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note)
22 is amended—

23 (1) in subparagraph (A)—

1 (A) by striking “(until such time as the
2 Congress may act otherwise with respect to
3 such losses)”; and

4 (B) in clause (ii), by striking “that
5 amount” and inserting “the amount of such
6 losses”; and

7 (2) in subparagraph (B), by inserting before
8 the period at the end “, except that, notwithstanding
9 paragraph (1) or any other provision of Federal or
10 State law, no insurer may be required to make any
11 payment for insured losses in excess of its deductible
12 under section 102(7) combined with its share of in-
13 sured losses under paragraph (1)(A) of this sub-
14 section”.

15 (b) NOTICE TO CONGRESS.—Section 103(e)(3) of the
16 Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701
17 note) is amended—

18 (1) by adding at the end the following: “The
19 Secretary shall provide an initial notice to Congress
20 not later than 15 days after the date of an act of
21 terrorism, stating whether the Secretary estimates
22 that aggregate insured losses will exceed
23 \$100,000,000,000.”; and

1 (2) by striking “and the Congress shall” and all
2 that follows through the end of the paragraph and
3 inserting a period.

4 (c) REGULATIONS FOR PRO RATA PAYMENTS; RE-
5 PORT TO CONGRESS.—Section 103(e)(2)(B) of the Ter-
6 rorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note)
7 is amended—

8 (1) by striking “For purposes” and inserting
9 the following:

10 “(i) IN GENERAL.—For purposes”;

11 and

12 (2) by adding at the end the following:

13 “(ii) REGULATIONS.—Not later than
14 240 days after the date of enactment of
15 the Terrorism Risk Insurance Program
16 Reauthorization Act of 2007, the Secretary
17 shall issue final regulations for deter-
18 mining the pro rata share of insured losses
19 under the Program when insured losses ex-
20 ceed \$100,000,000,000, in accordance with
21 clause (i).

22 “(iii) REPORT TO CONGRESS.—Not
23 later than 120 days after the date of en-
24 actment of the Terrorism Risk Insurance
25 Program Reauthorization Act of 2007, the

1 Secretary shall provide a report to the
2 Committee on Banking, Housing, and
3 Urban Affairs of the Senate and the Com-
4 mittee on Financial Services of the House
5 of Representatives describing the process
6 to be used by the Secretary for deter-
7 mining the allocation of pro rata payments
8 for insured losses under the Program when
9 such losses exceed \$100,000,000,000.”.

10 (d) DISCLOSURE.—Section 103(b) of the Terrorism
11 Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is
12 amended—

13 (1) by redesignating paragraphs (3) and (4) as
14 paragraphs (4) and (5), respectively; and

15 (2) by inserting after paragraph (2) the fol-
16 lowing:

17 “(3) in the case of any policy that is issued
18 after the date of enactment of the Terrorism Risk
19 Insurance Program Reauthorization Act of 2007,
20 the insurer provides clear and conspicuous disclosure
21 to the policyholder of the existence of the
22 \$100,000,000,000 cap under subsection (e)(2), at
23 the time of offer, purchase, and renewal of the pol-
24 icy;”.

1 (e) SURCHARGES.—Section 103(e) of the Terrorism
2 Risk Insurance Act of 2002 (15 U.S.C. 6701 note) is
3 amended—

4 (1) in paragraph (7)—

5 (A) in subparagraph (C), by inserting
6 “133 percent of” before “any mandatory
7 recoupment”; and

8 (B) by adding at the end the following:

9 “(E) TIMING OF MANDATORY
10 RECOUPMENT.—

11 “(i) IN GENERAL.—If the Secretary is
12 required to collect terrorism loss risk-
13 spreading premiums under subparagraph
14 (C)—

15 “(I) for any act of terrorism that
16 occurs on or before December 31,
17 2010, the Secretary shall collect all
18 required premiums by September 30,
19 2012;

20 “(II) for any act of terrorism
21 that occurs between January 1 and
22 December 31, 2011, the Secretary
23 shall collect 35 percent of any re-
24 quired premiums by September 30,

1 2012, and the remainder by Sep-
2 tember 30, 2017; and

3 “(III) for any act of terrorism
4 that occurs on or after January 1,
5 2012, the Secretary shall collect all
6 required premiums by September 30,
7 2017.

8 “(ii) REGULATIONS REQUIRED.—Not
9 later than 180 days after the date of en-
10 actment of this subparagraph, the Sec-
11 retary shall issue regulations describing
12 the procedures to be used for collecting the
13 required premiums in the time periods re-
14 ferred to in clause (i).

15 “(F) NOTICE OF ESTIMATED LOSSES.—
16 Not later than 90 days after the date of an act
17 of terrorism, the Secretary shall publish an esti-
18 mate of aggregate insured losses, which shall be
19 used as the basis for determining whether man-
20 datory recoupment will be required under this
21 paragraph. Such estimate shall be updated as
22 appropriate, and at least annually.”; and

23 (2) in paragraph (8)—

24 (A) in subparagraph (C)—

1 (i) by striking “(including any addi-
2 tional amount included in such premium”
3 and inserting “collected”; and
4 (ii) by striking “(D))” and inserting
5 “(D)”; and
6 (B) in subparagraph (D)(ii), by inserting
7 before the period at the end “, in accordance
8 with the timing requirements of paragraph
9 (7)(E)”.

10 **SEC. 5. ENHANCED REPORTS TO CONGRESS.**

11 (a) STUDY AND REPORT ON INSURANCE FOR NU-
12 CLEAR, BIOLOGICAL, CHEMICAL, AND RADIOLOGICAL
13 TERRORIST EVENTS.—Section 108 of the Terrorism Risk
14 Insurance Act of 2002 (15 U.S.C. 6701 note) is amended
15 by adding at the end the following:

16 “(f) INSURANCE FOR NUCLEAR, BIOLOGICAL, CHEM-
17 ICAL, AND RADIOLOGICAL TERRORIST EVENTS.—

18 “(1) STUDY.—The Comptroller General of the
19 United States shall examine—

20 “(A) the availability and affordability of
21 insurance coverage for losses caused by terrorist
22 attacks involving nuclear, biological, chemical,
23 or radiological materials;

24 “(B) the outlook for such coverage in the
25 future; and

1 “(C) the capacity of private insurers and
2 State workers compensation funds to manage
3 risk associated with nuclear, biological, chem-
4 ical, and radiological terrorist events.

5 “(2) REPORT.—Not later than 1 year after the
6 date of enactment of the Terrorism Risk Insurance
7 Program Reauthorization Act of 2007, the Comp-
8 troller General shall submit to the Committee on
9 Banking, Housing, and Urban Affairs of the Senate
10 and the Committee on Financial Services of the
11 House of Representatives a report containing a de-
12 tailed statement of the findings under paragraph
13 (1), and recommendations for any legislative, regu-
14 latory, administrative, or other actions at the Fed-
15 eral, State, or local levels that the Comptroller Gen-
16 eral considers appropriate to expand the availability
17 and affordability of insurance for nuclear, biological,
18 chemical, or radiological terrorist events.”.

19 (b) STUDY AND REPORT ON AVAILABILITY AND AF-
20 FORDABILITY OF TERRORISM INSURANCE IN SPECIFIC
21 MARKETS.—Section 108 of the Terrorism Risk Insurance
22 Act of 2002 (15 U.S.C. 6701 note) is amended by adding
23 at the end the following:

24 “(g) AVAILABILITY AND AFFORDABILITY OF TER-
25 RORISM INSURANCE IN SPECIFIC MARKETS.—

1 “(1) STUDY.—The Comptroller General of the
2 United States shall conduct a study to determine
3 whether there are specific markets in the United
4 States where there are unique capacity constraints
5 on the amount of terrorism risk insurance available.

6 “(2) ELEMENTS OF STUDY.—The study re-
7 quired by paragraph (1) shall contain—

8 “(A) an analysis of both insurance and re-
9 insurance capacity in specific markets, includ-
10 ing pricing and coverage limits in existing poli-
11 cies;

12 “(B) an assessment of the factors contrib-
13 uting to any capacity constraints that are iden-
14 tified; and

15 “(C) recommendations for addressing
16 those capacity constraints.

17 “(3) REPORT.—Not later than 180 days after
18 the date of enactment of the Terrorism Risk Insur-
19 ance Program Reauthorization Act of 2007, the
20 Comptroller General shall submit a report on the
21 study required by paragraph (1) to the Committee
22 on Banking, Housing, and Urban Affairs of the Sen-
23 ate and the Committee on Financial Services of the
24 House of Representatives.”.

1 (c) ONGOING REPORTS.—Section 108(e) of the Ter-
2 rorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note)
3 is amended—

4 (1) in paragraph (1)—

5 (A) by inserting “ongoing” before “anal-
6 ysis”; and

7 (B) by striking “, including” and all that
8 follows through the end of the paragraph, and
9 inserting a period; and

10 (2) in paragraph (2)—

11 (A) by inserting “and thereafter in 2010
12 and 2013,” after “2006,”; and

13 (B) by striking “subsection (a)” and in-
14 serting “paragraph (1)”.

15 **SEC. 6. COVERAGE OF GROUP LIFE INSURANCE.**

16 (a) FINDINGS AND PURPOSE.—Section 101 of the
17 Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701
18 note) is amended—

19 (1) in subsection (a)—

20 (A) in paragraph (5), by striking “and” at
21 the end;

22 (B) by redesignating paragraph (6) as
23 paragraph (8); and

24 (C) by inserting after paragraph (5) the
25 following new paragraphs:

1 “(6) group life insurance companies are impor-
 2 tant financial institutions whose products make life
 3 insurance coverage affordable for millions of Ameri-
 4 cans and often serve as their only life insurance ben-
 5 efit;

6 “(7) the group life insurance industry, in the
 7 event of a severe act of terrorism, is vulnerable to
 8 insolvency because high concentrations of covered
 9 employees work in the same locations, because pri-
 10 mary group life insurers do not exclude terrorism
 11 risks while most catastrophic reinsurance does ex-
 12 clude such risks, and because a large-scale loss of
 13 life would fall outside of actuarial expectations of
 14 death; and”;

15 (2) in subsection (b)(1), by inserting “and
 16 group life insurance” after “property and casualty
 17 insurance”.

18 (b) DEFINITIONS.—Section 102 of the Terrorism
 19 Risk Insurance Act of 2002 (15 U.S.C. 6701 note), as
 20 amended by the preceding provisions of this Act, is further
 21 amended—

22 (1) in paragraph (1)(B)(ii), by inserting “and
 23 group life insurance” before “losses”;

24 (2) in paragraph (5), in the matter preceding
 25 subparagraph (A)—

1 (A) by inserting “, or group life insurance
2 to the extent of the amount at risk,” after
3 “property and casualty insurance”;

4 (B) by inserting a comma after “insurer”;
5 and

6 (C) by adding after and below subpara-
7 graph (B) the following:

8 “Such term shall not include any losses of an in-
9 surer resulting from coverage of any single certifi-
10 cate holder under any group life insurance coverages
11 of the insurer to the extent such losses are not com-
12 pensated under the Program by reason of section
13 103(e)(1)(D).”;

14 (3) in paragraph (6)—

15 (A) in subparagraph (A)(i), by inserting “,
16 or group life insurance,” after “excess insur-
17 ance”; and

18 (B) in subparagraph (B), by inserting “or,
19 in the case of group life insurance, that receives
20 direct premiums,” after “insurance coverage”;

21 (4) in paragraph (7)—

22 (A) in subparagraph (F)—

23 (i) by striking the first comma and in-
24 serting “(i) with respect to property and
25 casualty insurance,”; and

1 (ii) by inserting before the semicolon
2 the following: “(ii) with respect to group
3 life insurance, the value of an insurer’s
4 amount at risk for a covered line of insur-
5 ance over the calendar year immediately
6 preceding such Program Year, multiplied
7 by 0.0351 percent”;

8 (B) in subparagraph (G)—

9 (i) by inserting “with respect to prop-
10 erty and casualty insurance, and such por-
11 tion of the amounts at risk with respect to
12 group life insurance,” after “such portion
13 of the direct earned premiums”; and

14 (ii) by inserting “and amounts at
15 risk” after “such direct earned premiums”;

16 (5) by redesignating paragraph (16) as para-
17 graph (18); and

18 (6) by inserting after paragraph (15) the fol-
19 lowing new paragraphs:

20 “(16) GROUP LIFE INSURANCE.—The term
21 ‘group life insurance’ means an insurance contract
22 that provides life insurance coverage, including term
23 life insurance coverage, universal life insurance cov-
24 erage, variable universal life insurance coverage, and
25 accidental death coverage, or a combination thereof,

1 for a number of individuals under a single contract,
2 on the basis of a group selection of risks, but does
3 not include ‘Corporate Owned Life Insurance’ or
4 ‘Business Owned Life Insurance,’ each as defined
5 under the Internal Revenue Code of 1986, or any
6 similar product, or group life reinsurance or
7 retrocessional reinsurance.

8 “(17) AMOUNT AT RISK.—The term ‘amount at
9 risk’ means face amount less statutory policy re-
10 serves for group life insurance issued by any insurer
11 for insurance against losses occurring at the loca-
12 tions described in subparagraph (A) of paragraph
13 (5).”.

14 (c) MANDATORY AVAILABILITY.—Section 103(c) of
15 the Terrorism Risk Insurance Act of 2002 (15 U.S.C.
16 6701 note) is amended by striking “During each Program
17 Year” and all that follows through “property and casualty
18 insurance” in paragraph (2) and inserting the following:

19 “(1) AVAILABILITY OF COVERAGE FOR INSURED
20 LOSSES.—During each Program Year, each entity
21 that meets the definition of an insurer under section
22 102 shall make available, in all of its insurance poli-
23 cies for property and casualty insurance and in all
24 of its insurance policies for group life insurance,”.

1 (d) FEDERAL SHARE OF COMPENSATION.—Section
 2 103(e)(1) of the Terrorism Risk Insurance Act of 2002
 3 (15 U.S.C. 6701 note) is amended by adding at the end
 4 the following new subparagraph:

5 “(D) LIMITATION ON COMPENSATION FOR
 6 GROUP LIFE INSURANCE.—Notwithstanding any
 7 other provision of this Act, the Federal share of
 8 compensation under the Program paid by the
 9 Secretary for insured losses of an insurer re-
 10 sulting from coverage of any single certificate
 11 holder under any group life insurance coverages
 12 of the insurer may not during any Program
 13 Year exceed \$1,000,000.”.

14 (e) SEPARATE RETENTION POOL.—Section
 15 103(e)(6)(E) of the Terrorism Risk Insurance Act of 2002
 16 (15 U.S.C. 6701 note) is amended by striking clauses (i)
 17 and (ii) and inserting the following new clauses:

18 “(i) for property and casualty insur-
 19 ance, the lesser of—

20 “(I) \$27,500,000,000; and

21 “(II) the aggregate amount, for
 22 all such insurance, of insured losses
 23 during such Program Year; and

24 “(ii) for group life insurance, the less-
 25 er of—

1 “(I) \$5,000,000,000; and
2 “(II) the aggregate amount, for
3 all such insurance, of insured losses
4 during such Program Year.”.

5 (f) SEPARATE RECOUPMENT.—Section 103(e)(7) of
6 the Terrorism Risk Insurance Act of 2002 (15 U.S.C.
7 6701 note), as amended by the preceding provisions of this
8 Act, is further amended—

9 (1) in subparagraph (A)—

10 (A) in clause (i), by inserting “applicable”
11 before “insurance”; and

12 (B) in clause (ii), by striking “all insurers”
13 and inserting “all applicable insurers (pursuant
14 to subparagraph (G))”;

15 (2) in subparagraph (B)—

16 (A) in the heading, by inserting “APPLICA-
17 BLE” before “INSURANCE”; and

18 (B) by inserting “applicable” before “in-
19 surance”; and

20 (3) by adding at the end the following new sub-
21 paragraph:

22 “(G) SEPARATE RECOUPMENT.—“The Sec-
23 retary shall provide that—

24 “(i) any recoupment under this para-
25 graph of amounts paid for Federal finan-

1 cial assistance for insured losses for prop-
 2 erty and casualty insurance shall be ap-
 3 plied to property and casualty insurance
 4 policies; and

5 “(ii) any recoupment under this para-
 6 graph of amounts paid for Federal finan-
 7 cial assistance for insured losses for group
 8 life insurance shall be applied to group life
 9 insurance policies.”.

10 (g) POLICY SURCHARGE FOR TERRORISM LOSS RISK-
 11 SPREADING PREMIUMS.—Section 103(e)(8) of the Ter-
 12 rorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note)
 13 is amended—

14 (1) in subparagraph (A)—

15 (A) in the matter preceding clause (i), by
 16 striking “Any” and inserting “Subject to para-
 17 graph (7)(G), any”;

18 (B) in clause (i), by inserting “and group
 19 life insurance policies” after “policies”; and

20 (C) by striking clause (iii) and inserting
 21 the following new clause:

22 “(iii) be based on—

23 “(I) a percentage of the premium
 24 amount charged for property and cas-

1 ualty insurance coverage under the
2 policy; and

3 “(II) a percentage of the amount
4 at risk for group life insurance cov-
5 erage under the policy.”; and

6 (2) in subparagraph (C)—

7 (A) by inserting “with respect to property
8 and casualty insurance,” after “annual basis,”;
9 and

10 (B) by inserting before the period at the
11 end the following: “and, with respect to group
12 life insurance, the amount equal to 0.0053 per-
13 cent of the amount at risk for covered lines
14 under the policy”.

15 **SEC. 7. LARGE EVENT RESET.**

16 The Terrorism Risk Insurance Act of 2002 (15
17 U.S.C. 6701 note) is amended—

18 (1) in section 102(7)—

19 (A) in subparagraph (F), by striking
20 “and” at the end;

21 (B) in subparagraph (G), by striking the
22 period at the end and inserting “; and”; and

23 (C) by adding at the end the following new
24 subparagraph:

1 “(H) notwithstanding subparagraph (F)(i),
2 if aggregate industry insured losses resulting
3 from a certified act of terrorism exceed
4 \$1,000,000,000, for any insurer that sustains
5 insured losses resulting from such act of ter-
6 rorism, the value of such insurer’s direct earned
7 premiums over the calendar year immediately
8 preceding the Program Year, multiplied by a
9 percentage, which—

10 “(i) for the Program Year consisting
11 of calendar year 2008 shall be 5 percent;
12 and

13 “(ii) for each Program Year there-
14 after, shall be 50 basis points greater than
15 the percentage applicable to the preceding
16 Program Year, except that if an act of ter-
17 rorism occurs during any such Program
18 Year that results in aggregate industry in-
19 sured losses exceeding \$1,000,000,000, the
20 percentage for the succeeding Program
21 Year shall be 5 percent and the increase
22 under this clause shall apply to Program
23 Years thereafter;

24 except that for purposes of determining under
25 this subparagraph whether aggregate industry

1 insured losses exceed \$1,000,000,000, the Sec-
2 retary may combine insured losses resulting
3 from two or more certified acts of terrorism oc-
4 ccurring during such Program Year in the same
5 geographic area (with such area determined by
6 the Secretary), in which case such insurer shall
7 be permitted to combine insured losses resulting
8 from such acts of terrorism for purposes of sat-
9 isfying its insurer deductible under this sub-
10 paragraph; and except that the insurer deduct-
11 ible under this subparagraph shall apply only
12 with respect to compensation of insured losses
13 resulting from such certified act, or combined
14 certified acts, and that for purposes of com-
15 pensation of any other insured losses occurring
16 in the same Program Year, the insurer deduct-
17 ible determined under subparagraph (F)(i) shall
18 apply.”; and

19 (2) in section 103(e)(1)(B)—

20 (A) in clause (ii), by striking the period at
21 the end and inserting a semicolon; and

22 (B) by adding after and below clause (ii)
23 the following:

24 “except that if a certified act of terrorism oc-
25 curs for which resulting aggregate industry in-

1 sured losses exceed \$1,000,000,000, the appli-
 2 cable amount for any subsequent certified act of
 3 terrorism shall be the amount specified in sec-
 4 tion 102(1)(B)(ii).”.

5 **SEC. 8. AVAILABILITY OF LIFE INSURANCE WITHOUT RE-**
 6 **GARD TO LAWFUL FOREIGN TRAVEL.**

7 Section 103(c) of the Terrorism Risk Insurance Act
 8 of 2002 (15 U.S.C. 6701 note), as amended by the pre-
 9 ceding provisions of this Act, is further amended by add-
 10 ing at the end the following new paragraph:

11 “(2) AVAILABILITY OF LIFE INSURANCE WITH-
 12 OUT REGARD TO LAWFUL FOREIGN TRAVEL.—Dur-
 13 ing each Program Year, each entity that meets the
 14 definition of an insurer under section 102 and any
 15 other entity that issues insurance contracts that pro-
 16 vide life insurance coverage shall make available, in
 17 all of its life insurance policies issued after the date
 18 of the enactment of the Terrorism Risk Insurance
 19 Program Reauthorization Act of 2007 under which
 20 the insured person is a citizen of the United States
 21 or an alien lawfully admitted for permanent resi-
 22 dence in the United States, coverage that neither
 23 considers past, nor precludes future, lawful foreign
 24 travel by the person insured, and shall not decline
 25 such coverage based on past or future, lawful foreign

1 travel by the person insured or charge a premium
2 for such coverage that is excessive and not based on
3 a good faith actuarial analysis, except that an in-
4 surer may decline or, upon inception or renewal of
5 a policy, limit the amount of coverage provided
6 under any life insurance policy based on plans to en-
7 gage in future lawful foreign travel to occur within
8 12 months of such inception or renewal of the policy
9 but only if, at time of application—

10 “(A) such declination is based on, or such
11 limitation applies only with respect to, travel to
12 a foreign destination—

13 “(i) for which the Director of the Cen-
14 ters for Disease Control and Prevention of
15 the Department of Health and Human
16 Services has issued a highest level alert or
17 warning, including a recommendation
18 against non-essential travel, due to a seri-
19 ous health-related condition;

20 “(ii) in which there is an ongoing
21 military conflict involving the armed forces
22 of a sovereign nation other than the for-
23 eign destination to which the insured per-
24 son is traveling; or

1 “(iii)(I) that the insurer has specifi-
 2 cally designated in the terms of the life in-
 3 surance policy at the inception of the pol-
 4 icy or at renewal, as applicable; and

5 “(II) with respect to which the insurer
 6 has made a good-faith determination
 7 that—

8 “(aa) a serious fraudulent situa-
 9 tion exists which is ongoing; and

10 “(bb) the credibility of informa-
 11 tion by which the insurer can verify
 12 the death of the insured person is
 13 substantially compromised; and

14 “(B) in the case of any limitation of cov-
 15 erage, such limitation is specifically stated in
 16 the terms of the life insurance policy at the in-
 17 ception of the policy or at renewal, as applica-
 18 ble.”.

19 **SEC. 9. PROGRAM TRIGGER.**

20 Section 103(e)(1)(B)(ii) of the Terrorism Risk Insur-
 21 ance Act of 2002 (15 U.S.C. 6701 note) is amended by
 22 striking “\$100,000,000” and inserting “\$50,000,000”.

23 **SEC. 10. APPLICABILITY.**

24 The amendments made by this Act shall apply begin-
 25 ning on January 1, 2008. The provisions of the Terrorism

- 1 Risk Insurance Act of 2002, as in effect on the day before
- 2 the date of the enactment of this Act, shall apply through
- 3 the end of December 31, 2007.

